



Presentation to the 2011 Health and Human Services
Joint Appropriation Subcommittee

HEALTHY MONTANA KIDS PROGRAM

MEDICAID AND HEALTH SERVICES BRANCH

Department of Public Health and Human Services

Reference:

Legislative Fiscal Division Budget Analysis, Volume IV, Page B-227

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HEALTHY MONTANA KIDS PROGRAM OVERVIEW

The Healthy Montana Kids (HMK) program is the single "one-stop" for children's health care. HMK came about as a result of Initiative 155 (I-155) which was approved by 68% of the Montana voters in November 2008. The broad statewide support for the initiative made it clear Montanans cared about children and keeping them healthy. The HMK Program combines children's Medicaid and the Children's Health Insurance Plan (CHIP) into a single program that provides health coverage for Montana children and teens up to age 19.

Nearly 18,000 children are newly covered under the HMK Program since I-155 passed. Those children are some of the more than 81,000 children in Montana who as of October 2010 were eligible to receive the types of health care children need the most: well child checkups; routine physicals; office and emergency visits; hearing and vision screenings; dental services; prescription drugs; mental health services and more.

Healthy children affect our state's future in many ways. Healthy children learn better. Research suggests students' health and learning are inextricably linked. Healthy children grow up to be healthy adults and parents who contribute economically and have more life choices. That's a significant payback in economic benefits.

SUMMARY OF MAJOR FUNCTIONS

The Healthy Montana Kids Program is the single face or ‘one stop’ for Montana families seeking health coverage for their children, up to age 19. The HMK Program covers children in families with income up to 250% of the federal poverty level (FPL). It is the umbrella encompassing the two different coverage groups. A child’s coverage group is determined by the family’s income. Healthy Montana Kids *Plus* (children’s Medicaid) covers children in families with lower income. Healthy Montana Kids (CHIP) covers middle income families that don’t have or can’t afford health coverage for their children. Families need only apply for HMK coverage. Eligibility staffs in the HMK Central office or statewide Offices of Public Assistance determine the appropriate coverage group for each child.

The program’s focus is on easy access for families to learn about or apply for HMK, subsequently enrolling eligible children in the program and providing quality health care to those children. There is one application for program entry. To be eligible, a child must be a Montana resident and US citizen, and reside in a family that meets the overall income guidelines. For example, a family of four earning slightly more than \$55,000 could have their children enrolled in the HMK Program. All children who receive medical coverage through the Department of Public Health and Human Service programs are “Healthy Montana Kids.”

Prior to Healthy Montana Kids implementation, families often had their children in two different programs due to the varying income guidelines for children’s Medicaid and CHIP. Children five years of age and younger often qualified for Medicaid, while their older siblings, ages 6-18, were within the CHIP income guidelines. HMK legislation changed that by redefining the income guidelines for families, allowing all children in a family to remain within the same coverage group with the same benefit package and provider network.

Effective October 2009, the Healthy Montana Kids Program made positive changes in children’s health care eligibility. It increased overall income guidelines, implemented 12 months of continuous coverage for children in HMK *Plus*, while also eliminating an asset test for those children. The HMK coverage group already provided 12 months continuous coverage and did not have an asset test.

The Healthy Montana Kids coverage group (formerly CHIP) provides health care coverage for children with family income between 134-250% of the federal poverty level (FPL). The Healthy Montana Kids *Plus* coverage group (formerly children’s Medicaid) covers children with family income between 0-133% FPL. There is also a CHIP funded Medicaid Expansion Program for children ages 6-18 with family income between 100-133% FPL. Children are enrolled in the HMK *Plus* coverage group, receive those corresponding benefits but the benefit costs are paid by CHIP funds.

Montana administers a stand-alone CHIP program that has an administrative cap of 10%. The State can exceed this cap but is not allowed to draw down federal matching funds if that occurs. The administrative cap is applied differently to fully-insured versus self-administered plans. Montana CHIP became a self-administered program in October 2006 through a third party administrative contract, currently with Blue Cross Blue Shield of Montana. The administrative cap is based on benefit costs: Enrollment x Utilization x Cost of Services.

The following four charts provide a good overview of the Healthy Montana Kids Program and the changes that transformed children’s health care coverage in our state during the last biennium.

Chart 1

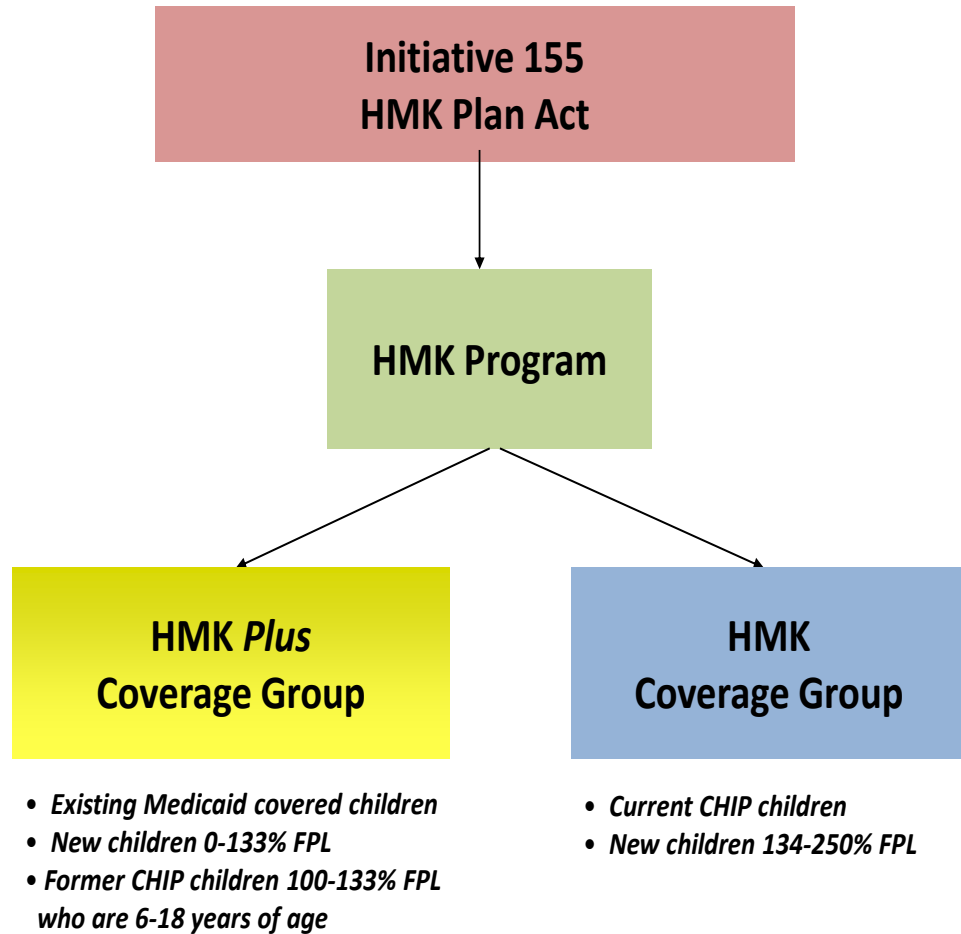


Chart 2

Medicaid and CHIP Eligibility PRIOR to October 1, 2009

Age	Up to 100% FPL	101% to 133% FP	134% to 250% FPL
Birth to 5	Medicaid		CHIP
6 – 18 years	CHIP		

Chart 3

HMK Program Eligibility as of October 1, 2009

Age	Up to 133% FPL	134% to 250% FPL
Birth to 5	<div>HMK Plus</div>	<div>HMK</div>
6 – 18 years		

Chart 4

HMK Funding as of October 1, 2009

Age	Up to 133% FPL	134% to 250% FPL
Birth to 5	<div> HMK Plus Medicaid Funding Medicaid Benefits </div>	<div> HMK CHIP Funding CHIP Benefits </div>
6 – 18 years		

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2011 BIENNIUM

Healthy Montana Kids Program implementation

The implementation of the Healthy Montana Kids Program touches Montana families in every community and county within the state. The program boasts nearly 18,000 newly enrolled children since Montanans overwhelmingly passed the Healthy Montana Kids Initiative 155.

Initial implementation accomplishments included issuing new HMK or HMK *Plus* identification cards, along with updated program information, to every currently enrolled child in CHIP or children's Medicaid programs. Families had numerous questions about how the HMK Program implementation affected their current enrollment, or shifted their enrollment coverage from HMK to HMK *Plus*, or if the change in income standards made previously ineligible families now potentially eligible for the HMK Program. We answered questions, did extensive outreach to families and health care providers, promoted the benefits of the eligibility changes, and 'branded' two very familiar programs, Medicaid and CHIP, with the new name of Healthy Montana Kids Program.

Implementation also included:

- Establishing a central process to pre-screen HMK applications to determine the eligible coverage group;
- Co-location of HMK and HMK Plus eligibility staff in the Helena HMK Central Office;
- Statewide provider training focusing on one central website to verify a child's eligibility;
- Updating the Healthy Montana Kids website so families could quickly and easily access the updated online application, locate information about the program, or find needed contact information for Enrollment Partners in their local communities; and
- Numerous internal 'housekeeping' duties that ranged from updating Administrative Rules to submitting State Plan Amendments to the Center for Medicare and Medicaid Services, revising member handbooks, program materials, and policy manuals.

Within this last biennium, HMK staff crisscrossed the state to share information about the changes in children's health care coverage and enroll newly eligible Montana families. They shared the 'good news' about the Healthy Montana Kids Program with families, schools, employers, churches, and health care providers to name a few.

HMK outreach staff recruited and trained over 600 statewide Enrollment Partners, representing over 180 organizations in Montana. There is at least one Enrollment Partner in every Montana county. They offer hands-on assistance, if needed, in completing the application and verifying supporting documentation. All Enrollment Partners and their corresponding contact information are listed on the HMK website at www.hmk.mt.gov.

Applying for the HMK Program is easy. The application is short and can be completed, for most families, in less than 15 minutes. There is also an easy to complete online HMK application.

Eligibility changes necessitated system updates with some very positive outcomes for HMK applicants. In January 2010 we implemented an interface with the Social Security Administration which verifies an applicant's citizenship and identity. More than 11,000 children who applied for HMK had that verification completed through the interface which reduced the burden on families to

provide original documentation. Improved system notices help eligibility staff more effectively communicate with families. Newly developed queries and other tools allow HMK program staff to personally follow up with families at the time of their annual renewal or when a new application but is missing information. It is important to enroll eligible children in the HMK Program, but just as important to retain their ongoing enrollment. Finally, to support the seamless administration between the two coverage groups, HMK developed detailed eligibility system requirements to transition from the existing eligibility system to CHIMES in fall 2011.

Enrollment Changes

State and University System Employees' Children: Montana is the first stand-alone CHIP program in the nation to gain approval from the Center for Medicare and Medicaid Services to allow enrollment of state and university system employees' children. Those children were previously excluded from coverage based upon the initial federal CHIP legislation of 1997. The Patient Protection and Affordable Care Act (ACA) of March 2010 included language to allow these children to enroll in CHIP (HMK coverage group in Montana) under specific criteria. The Department submitted a state plan amendment to CMS and received approval in November 2010. HMK coordinated outreach efforts through the Department of Administration's Health Care Benefit Division and the Montana University System's Benefits' Division to notify families of the opportunity to apply and enroll in the HMK coverage group. No similar exclusion applies to families who qualify for the HMK Plus (children's Medicaid) coverage group. A DPHHS eligibility worker recently wrote the following to HMK once she received confirmation her two children could be covered under the HMK Program:

"SO HAPPY I can get my kids on HMK! My husband was out of a salary since August of 2009. He started his own business this past June. Owning your own business isn't so glorious, as you never know when you will be able to take home any pay. I still consider us a single-income household, especially after having to take out a loan to help us live, just to make our bills each month. Every penny counts. Getting my kids enrolled on HMK will be very helpful to us, not only in saving money on monthly premiums, but also for co-pays on doctor visits, and prescriptions. I'm lucky my kids are healthy."

Presumptive Eligibility: Effective January 2011, the HMK Program launches a new temporary eligibility program for Montana children to have access to health care while they are evaluated for permanent coverage. Presumptive Eligibility initially will be offered through 60 statewide Montana hospitals, and three Indian Health Service facilities, when children present for services. Families will complete a brief application for hospital staff to review and determine if the child is eligible for presumptive "temporary" coverage based on family income. If eligible the family is immediately enrolled in the 'presumptive eligibility' coverage. Families must subsequently complete a full HMK application and submit needed income documentation no later than the end of the next month for "regular" program eligibility determination. All the children in a family under age 19 are enrolled as presumptively eligible at the same time. Families may qualify for Presumptive Eligibility only once every 12 consecutive calendar months. Presumptive eligibility will end on the earlier of the date HMK makes a determination of eligibility for HMK group coverage, or the last day of the month following the month presumptive eligibility begins. While the HMK Program will initially offer presumptive eligibility in statewide hospitals, more health care providers will be involved within the next biennium.

HMK Outreach

HMK outreach is multi-faceted and incorporates a combination of diverse and creative methods to reach and enroll uninsured children who are eligible for the HMK Program. HMK staff, including Volunteers in Service to America (VISTA), work collaboratively with a diverse group of organizations from Job Service Centers to childcare providers, local Chambers of Commerce to the Montana Association of Churches, hospitals and other health care providers, as well as schools statewide and community organizations in disseminating information about enrolling in the HMK Program.

- HMK outreach staff recruited and trained over 600 statewide Enrollment Partners, representing over 180 organizations in Montana. There is at least one Enrollment Partner in every Montana county. They offer hands-on assistance in completing the application and verifying supporting documentation.
- An HMK Back to School Campaign is conducted at the beginning of every school year. HMK informational materials are offered to every school in the state, coupled with follow up phone calls, offers to attend school events to promote HMK, and provide articles for school newsletters and websites.
- Employer-based outreach was diverse and included a direct mail outreach campaign to all Montana employers (36,780 individual businesses), and presentations to larger businesses and city/county/municipal employees' groups. Every business in Montana received a workplace poster to display in break rooms or common areas and an additional 70 plus businesses contacted HMK for brochures and applications to distribute directly to their employees.
- Eastern and Western Montana Field Offices conduct and coordinate HMK outreach and play an integral role in developing Enrollment Partner training materials, conducting the training of individuals and organizations, organizing and conducting enrollment drives, and representing HMK at community events all across Montana, e.g. health fairs, conferences, sporting and other HMK-sponsored events.
- Beginning in March 2010, HMK launched a series of statewide media campaigns, including television, radio, print, billboard, and movie theater trailer ads. The campaign continues through the end of December.
- The HMK interim online application launched in February 2010 resulting in more than 3,500 applications submitted to HMK between Feb-Nov 2010.
- HMK worked collaboratively with other Department programs to develop the Montana Connection online application website released in December 2010 allowing families to apply for a wide range of public health programs, including HMK.

CHIPRA Outreach Grant

The Montana Department of Public Health and Human Services (DPHHS) applied for and received a \$971,868 Children's Health Insurance Plan Reauthorization Act (CHIPRA) grant from CMS. We are the lead agency for the 17 member CHIPRA Coalition funds that runs from April 1, 2010 to September 30, 2011.

The Coalition is charged with accomplishing the following goals: decrease the number of uninsured children in Montana living in households with incomes at or below 250 percent of the federal poverty level (FPL); and increase the number of eligible children who continue to be enrolled in the HMK Program when coverage is renewed.

Montana CHIPRA Coalition members include Native American Tribes, Federally Qualified Health Centers, a non-profit community based organization, and statewide organizations that work with rural families. Coalition members have a long history of working with each other and with DPHHS to provide health care and other community services to eligible children and families.

CHIPRA Outreach Coalition Partners	
Billings Head Start	Fort Belknap Indian Community
Blackfeet Nation	Fort Peck Indian Community
Butte Community Health Center	Healthy Montana Kids - DPHHS
Cascade City-County Health Department	Helena Cooperative Health Center
Central Montana Head Start	Montana Research and Education Foundation
Chippewa Cree Tribe	(Represents 47 Critical Access and Small Rural Hospitals)
Confederated Salish & Kootenai Tribe	Northern Cheyenne Tribe
Crow Tribe Absalooke Nation	Partnership Health Center
Flathead Community Health Center	

2013 BIENNIUM GOALS AND OBJECTIVES

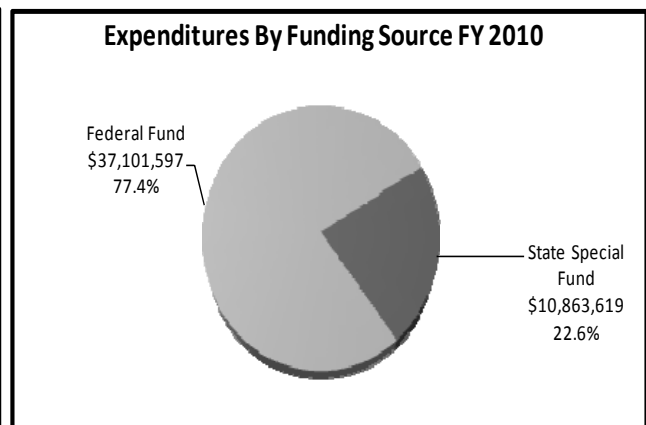
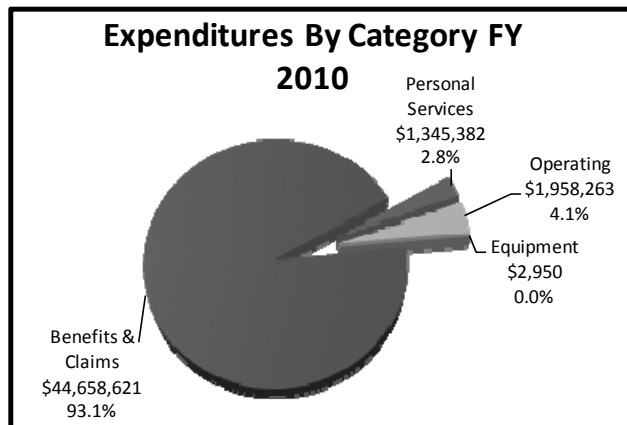
Department of Public Health and Human Services Healthy Montana Kids Program	
Goals and Objectives for the 2013 Biennium Submitted September 1, 2010	
Goal: Assure necessary healthcare is available to all eligible Montanans.	
Objective	Measures
Reduce the number of uninsured Montana children	<ul style="list-style-type: none"> The objective is measured by continuously increasing the number of low to moderate income Montana children who are enrolled in the Healthy Montana Kids Program.

**FUNDING AND FTE INFORMATION FOR HEALTHY MONTANA KIDS PROGRAM
(FORMERLY CHIP) AND THE MEDICAID EXPANSION GROUP**

Healthy Montana Kids	2010 Actual Expenditures	FY 2012 Request	FY 2013 Request
FTE	27.50	42.50	42.50
Personal Services	\$1,345,382	\$2,020,245	\$2,017,318
Operating	\$1,958,263	\$2,677,620	\$2,710,205
Equipment	\$2,950	\$2,950	\$2,950
Grants	\$0	\$0	\$0
Benefits & Claims	\$44,658,621	\$82,893,286	\$86,294,847
Debt Services	\$0	\$0	\$0
Total Request	\$47,965,216	\$87,594,101	\$91,025,320
General Fund	\$0	\$0	\$0
State Special Fund	\$10,863,619	\$21,139,594	\$22,287,976
Federal Fund	\$37,101,597	\$66,454,507	\$68,737,344
Total Request	\$47,965,216	\$87,594,101	\$91,025,320

TABLES ARE UPDATED TO REFLECT THE 12/15/2010 EXECUTIVE UPDATE.

**THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2010 FOR
HEALTHY MONTANA KIDS PROGRAM**



DECISION PACKAGES (SEE LFD BUDGET ANALYSIS, PAGES B-244 - B-247)

NP 11121 Make Temporary HMK FTE Permanent

- This request would provide 15.00 FTE and \$315,196 in state special revenue and \$1,010,656 in federal funding over the biennium. The 2009 Legislature approved temporary full time equivalent (FTE) positions to implement the Healthy Montana Kids Plan (HMK), which expanded Children's Health Insurance Program (CHIP) eligibility for children from 175% to 250% of the federal poverty level. HMK Plus (Medicaid) has received the bulk of the increases in enrollment, and current eligibility staff is needed in order to continue determining eligibility for HMK. This request would allow the fifteen positions to be made permanent and maintain needed administrative and eligibility functions. The positions are funded with federal dollars and I-155 state special revenue funds.
- LFD reference is on page **B-246**

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	\$0	\$158,125	\$511,895	\$670,020
FY2013	\$0	\$157,071	\$498,761	\$655,832
Biennium Total	\$0	\$315,196	\$1,010,656	\$1,325,852

PL 11016 EFMAP Adj - HMK

- This decision package reflects the Enhanced Federal Medical Assistance Percentage (EFMAP) participation rate change. This adjustment provides funding for the change in Healthy Montana Kids EFMAP over the biennium. This requests \$744,126 in state special revenue and reduces \$744,126 in Federal funds over the biennium.
- The Enhanced Federal Medical Assistance Percentage (EFMAP) for Montana for federal fiscal year 2010 is 77.19%. We estimate EFMAP for FFY 2012 will be 76.50% and for FFY 2013 will be 76.32 %. To maintain the current programs, the state matching funds the Healthy Montana Kids appropriation will need to be increased for the new EFMAP rate. This change is needed to provide health care coverage at a consistent level.
- LFD reference is on page **B-245**

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	\$0	\$325,277	-\$325,277	\$0
FY2013	\$0	\$418,849	-\$418,849	\$0
Biennium Total	\$0	\$744,126	-\$744,126	\$0

PL 11017 HMK - CHIP - Caseload

- This request reflects the caseload growth for a portion of Healthy Montana Kids (HMK). This caseload consists of the number of eligibles, utilization, and patient acuity levels for those who are between 134%-250% of the federal poverty level. This caseload adjustment is for children receiving a "CHIP" benefit package financed by federal CHIP grant funds and state special revenue.
- In order to properly establish the HMK budget for FY 2012 and FY 2013, caseload changes must be taken into account. The department utilizes a complex set of projections. Statistics and trends relating to monthly eligibility, type of provider, utilization of services, network access to providers, and health care inflation are taken into account in the Department's projections.
- LFD reference is on page **B-245** (Executive updated on Dec 15th)

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	\$0	\$3,750,981	\$12,143,006	\$15,893,987
FY2013	\$0	\$4,127,674	\$13,106,873	\$17,234,547
Biennium Total	\$0	\$7,878,655	\$25,249,879	\$33,128,534

PL 11020 Med Ben - HMK Expansion Caseload

- This request reflects the caseload growth for Healthy Montana Kids (HMK). This caseload consists of the number of eligible's, utilization, and patient acuity levels for those who are between 101%-133% of the federal poverty level. This caseload adjustment is for children receiving a "Medicaid" benefit package financed with state special revenue and federal CHIP grant funds.
- In order to properly establish the HMK Expansion group (6-18 years) budget for FY 2012 and FY 2013, caseload changes must be taken into account. The department utilizes a complex set of projections. Statistics and trends relating to monthly eligibility, type of provider, utilization of services, network access to providers, and health care inflation are taken into account in the Department's projections.
- LFD reference is on page **B-245**

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	\$0	\$5,433,863	\$17,590,984	\$23,024,847
FY2013	\$0	\$6,018,907	\$19,112,228	\$25,131,135
Biennium Total	\$0	\$11,452,770	\$36,703,212	\$48,155,982

LEGISLATION

Healthy Montana Kids has no pending or requested legislation.